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PANAMA

GLOBAL CLIMATE CHANGE

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Due to capacity building and technical assistance, USAID and its partners in Panama continue to increase their knowledge as well as enhance natural resource management. These activities aid in increasing carbon sequestration, which is essential to mitigating the effects of climate change. Furthermore, USAID's contribution to protecting the Panama Canal Watershed is proving invaluable for not only Panama but for the rest of the world as well.

Background. Panama is situated in a key geostrategic location, occupying the southeastern end of the isthmus forming the land bridge between North and South America. This Central American country plays an important role in the world of commerce due to its canal, which provides a vital international waterway between the Atlantic and Pacific Oceans. The overall performance of the Panamanian economy is closely linked to the Panama Canal and the Panama Canal Watershed (PCW). Following the U.S. turnover of the Panama Canal on December 31, 1999, Panama assumed full responsibility for canal operations. A key factor for ensuring continued effective operation of the canal is the availability of sufficient water to operate the locks system. This water supply is provided by a rain-fed 552,761-hectare watershed, which contains five rivers and two manmade lakes that store the water for canal operations. During the past 50 years, massive deforestation has reduced the forest cover in the PCW and in the process eroded its river valleys and lakeshores. Increasing rates of population migration into the watershed, with concomitant urbanization and increased economic activities, threaten the canal's environmental sustainability. As a result, the watershed is increasingly vulnerable to agricultural and industrial pollution, siltation, and sedimentation, resulting in reduction of water storage capacity of the lakes that serve as the water source for the canal.

Sector-Specific Climate Change Activities. A major focus of the USAID environmental program in Panama is ensuring effective protection and management of the PCW. Significant amounts of U.S. (13% to 14%) and world (4%) ocean cargo transit the Panama Canal. The protection of the watershed's natural environment is vital to safeguarding the fresh water resources upon which the canal's hydrology depends.

USAID supports the strengthening of Panamanian government institutions responsible for the protection of the watershed as well as the participation of civil society, the private sector, and local governments. Therefore, USAID activities aimed at environmental protection in Panama focus on co-management of parks and protected areas in the PCW, development of ecotourism opportunities for local communities, and furthering concessional arrangements for liquid and solid waste disposal.

Specifically addressing climate change, USAID/Panama's primary activities focus on carbon sequestration through improved natural resource management, particularly in the PCW.

USAID's partners in climate change activities in Panama include*:

- Academy for Educational Development (AED)
- The Center for Action on Social Studies (CEASPA)
- Inter-Institutional Watershed Commission (CICH)
- National Association for Conservation of Natural Resources (ANCON)
- National Association of Entrepreneurs and Rural Areas (SONDEAR)
- The Nature Conservancy (TNC)
- Panama Canal Authority (ACP)
- Panama's National Environmental Authority (ANAM)

* Because partners change as new activities arise, this list of partners is not comprehensive.

USAID promotes the use of improved standards in protected areas that support effective management of natural resources and conservation of ecosystems. Successful interventions in ecotourism and park management monitoring in the PCW are contributing to the reduction of loss of carbon sinks outside protected areas and in the prevention of carbon leakage from protected areas. In collaboration with Panama's Environmental Authority, USAID is providing training to park officials of the PCW on a uniform methodology to monitor protected areas, which contributes to protecting natural resources and promoting environmentally friendly activities inside the parks.

Given the importance of the Panama Canal, USAID also provides technical assistance and training to enhance Panamanian institutional and civic capacity to effectively protect and conserve natural resources in the PCW. The focus is on building alliances that integrate the efforts of central government line ministries with those of the private sector, civil society, local governments, and local communities to address critical environmental issues in the watershed. Such alliances focus on environmentally sound practices, improved management, and activities that enhance biodiversity and water quality conservation.

For more information on Panama, visit the USAID Web site at:

- <http://www.usaid.gov>